

DMG MORI CO., LTD.

FY 2019 H1 (Jan-Jun) Results

IR Announcement

August 6, 2019

1. FY2019 H1 (Jan-Jun) financial results

2. Business environment

3. Topics

- ✓ Iga Innovation Days (July)
- ✓ EMO (September)
- ✓ Grand opening of Iga Global Parts Center (July)
- ✓ Additive Manufacturing
- ✓ Automation

- ✓ JPY 223.4 bn. in company-wide order intake (YonY -21.7% against -29.1% in JMTBA)
- ✓ JPY 238.6 bn. in turnover (YonY +1.4%), JPY 20.0 bn. in operating profit (YonY +27.0%)
- ✓ Automation and digitization promoted at Iga Innovation Days (July)
- ✓ 5-axis, Multi-axis and Automation system led to 5% increase in average order price per unit
- ✓ Spare parts/service order intake continuously increased (YonY +11%)
- ✓ Grand opening of Iga Global Parts Center (over 95% of spare parts delivered within 24 hours after orders)
- ✓ Free cash flows remained positive. JPY 75.5 bn. in net debt (FY2018 year-end: 82.8 bn.)

Income Statement Summary

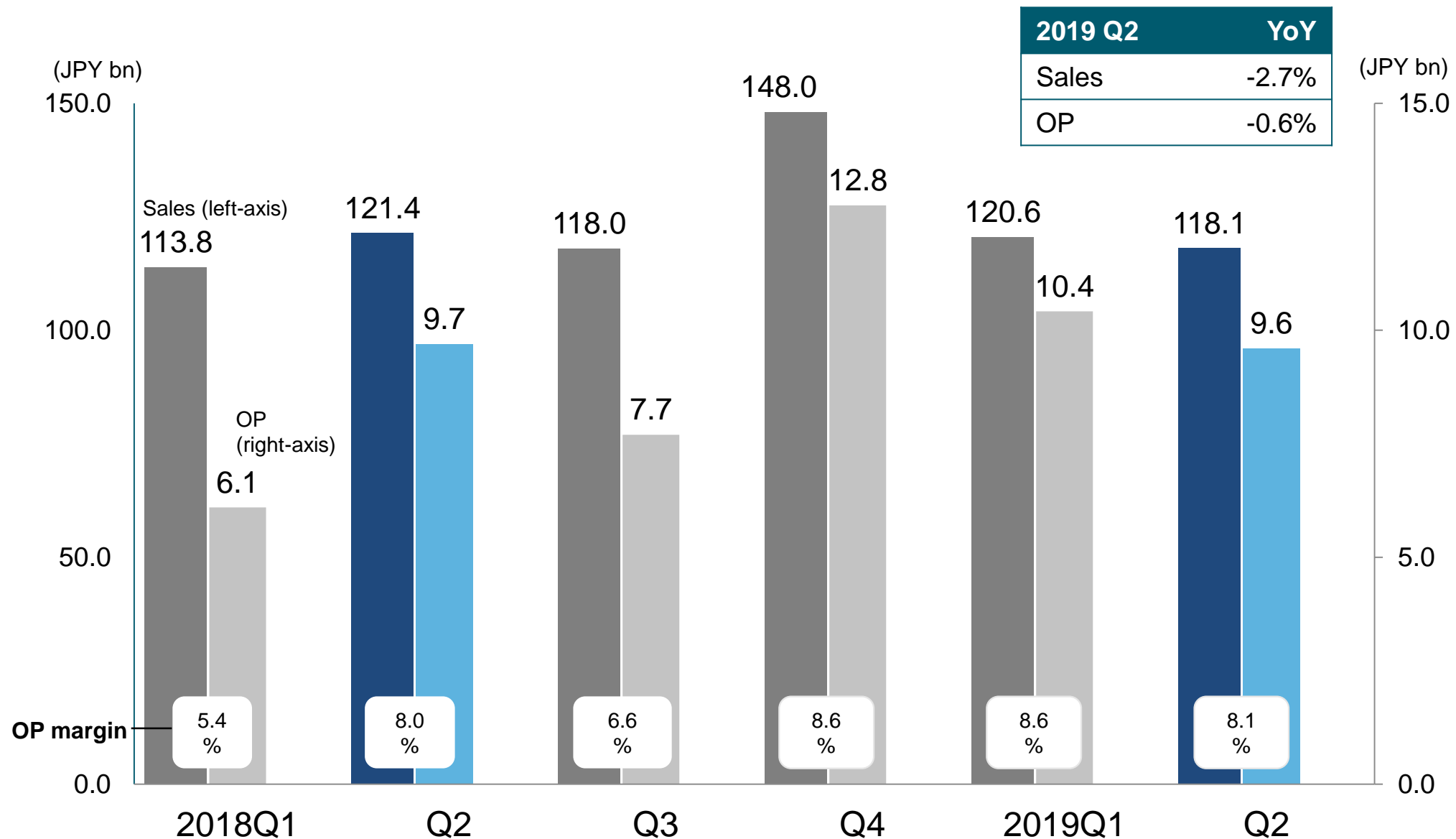
DMG MORI

(JPY bn)	H1 (Jan-Jun)		Changes	Full year (Jan-Dec)	
	2018	2019	(%)	FY2018	FY2019 E
Company-wide order intake	285.3	223.4	-21.7	531.2	—
Sales revenue	235.3	238.6	+1.4	501.2	500.0
Operating profit	15.8	20.0	+27.0	36.3	36.0
% to sales revenue	6.7%	8.4%		7.2%	7.2%
Net financial costs	-2.2	-3.0		-5.2	-6.0
(thereof, economic compensation associated with DA)	(-1.1)	(-1.8)		(-2.5)	(-3.5)
Profit before taxes	13.6	17.0	+25.2	31.3	30.0
Net profit	9.1	11.1	+21.6	19.4	20.0
Net profit attributable to owners	8.9	10.7	+20.1	18.5	19.0
Depreciation & amortization with lease	—	10.8		—	23.3
D&A without lease	9.0	8.5		18.5	18.5
Capital expenditure	6.8	8.4		19.3	19.0
(thereof, intangibles)	2.0	2.1		5.5	
USD/JPY	108.7	110.1		110.4	110.0
EUR/JPY	131.7	124.3		130.4	122.2

2019 H2 : USD/JPY:110, EUR/JPY:120

Quarterly financial results

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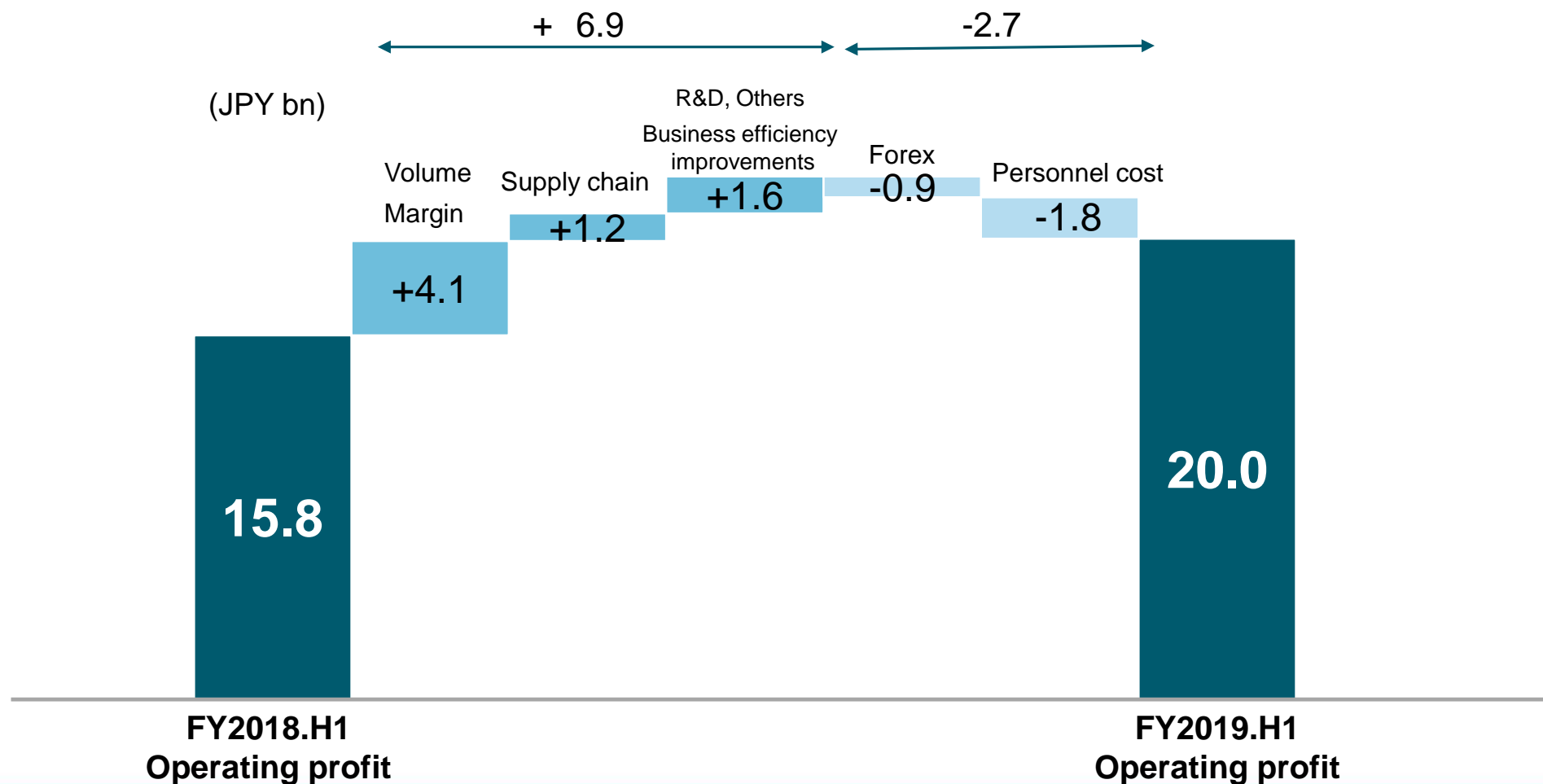


Operating profit bridge -2018 H1 vs 2019 H1

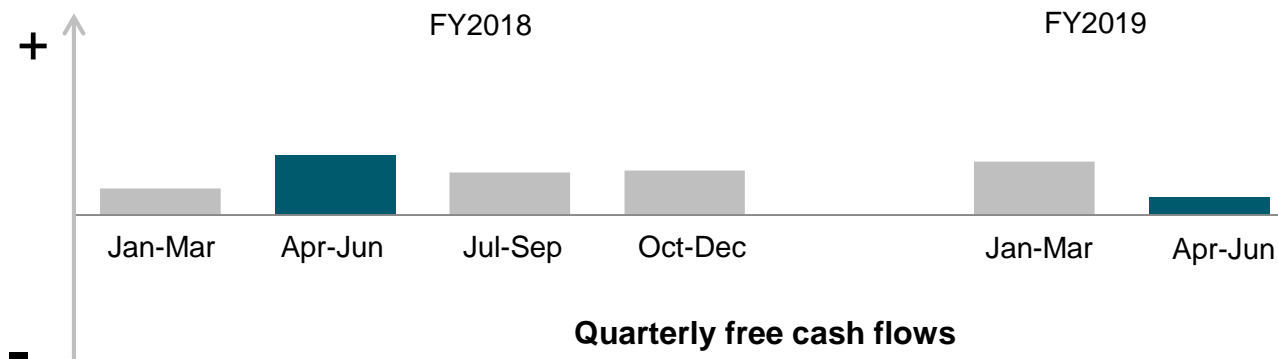
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(JPY bn)	FY2018.H1	FY2019.H1	+/-
Sales	235.3	238.6	+3.4

	<u>FY2018.H1</u>	<u>FY2019.H1</u>
USD/JPY	108.7	110.1
EUR/JPY	131.7	124.3



(JPY bn)	FY2018					FY2019	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Cash flow from operation	7.8	13.5	10.5	17.5	49.4	13.0	3.8
Profit before taxes	5.0	8.7	6.5	11.2	31.3	8.8	8.2
Depreciation & amortization	4.5	4.5	4.5	5.0	18.5	5.5	5.3
+/- in working capital	5.8	1.8	-0.3	-2.7	4.6	3.5	-4.8
Others	-7.5	-1.5	-0.1	4.0	-5.0	-4.8	-4.9
Cash flow from investments	-3.2	-3.1	-3.0	-9.7	-19.0	-3.6	-1.6
(thereof, acquisition of fixed assets)	-3.0	-3.7	-3.2	-9.3	-19.3	-3.1	-5.3
FCF	4.7	10.3	7.5	7.8	30.4	9.4	2.2



Financial position summary

-Increase of total asset due to application of lease account standards

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Assets

Liability & Equity

	JPY 528.4 bn	JPY 531.8 bn
Short-term Financial assets	34.2	26.2
Trade receivables	69.4	61.2
Inventories	130.7	141.1
Fixed assets	128.7	122.3
Goodwill	68.9	66.5
Intangibles	65.4	62.5
Other assets	31.1	52.0
	Dec 2018	Jun 2019

	JPY 528.4 bn	JPY 531.8 bn
Payables	56.8	63.4
Advance payments	61.7	57.1
Interest-bearing debts	117.0	101.7
Obligation of AG share purchase	94.7	90.6
Other Liabilities (New standard for lease:16.9)	84.0	97.5
Shareholders' equity	111.1	118.1
	Dec 2018	Jun 2019

Net Debt (Interest-bearing debt – Short-term financial asset)
(JPY bn)

Ended Dec 2017 **105.7**



Ended Dec 2018 **82.8**



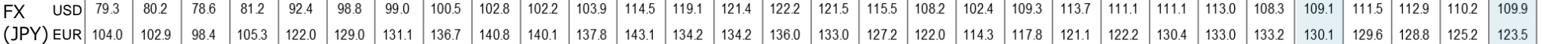
Ended Jun 2019 **75.5**



Ending Dec 2019 **below 65.0**

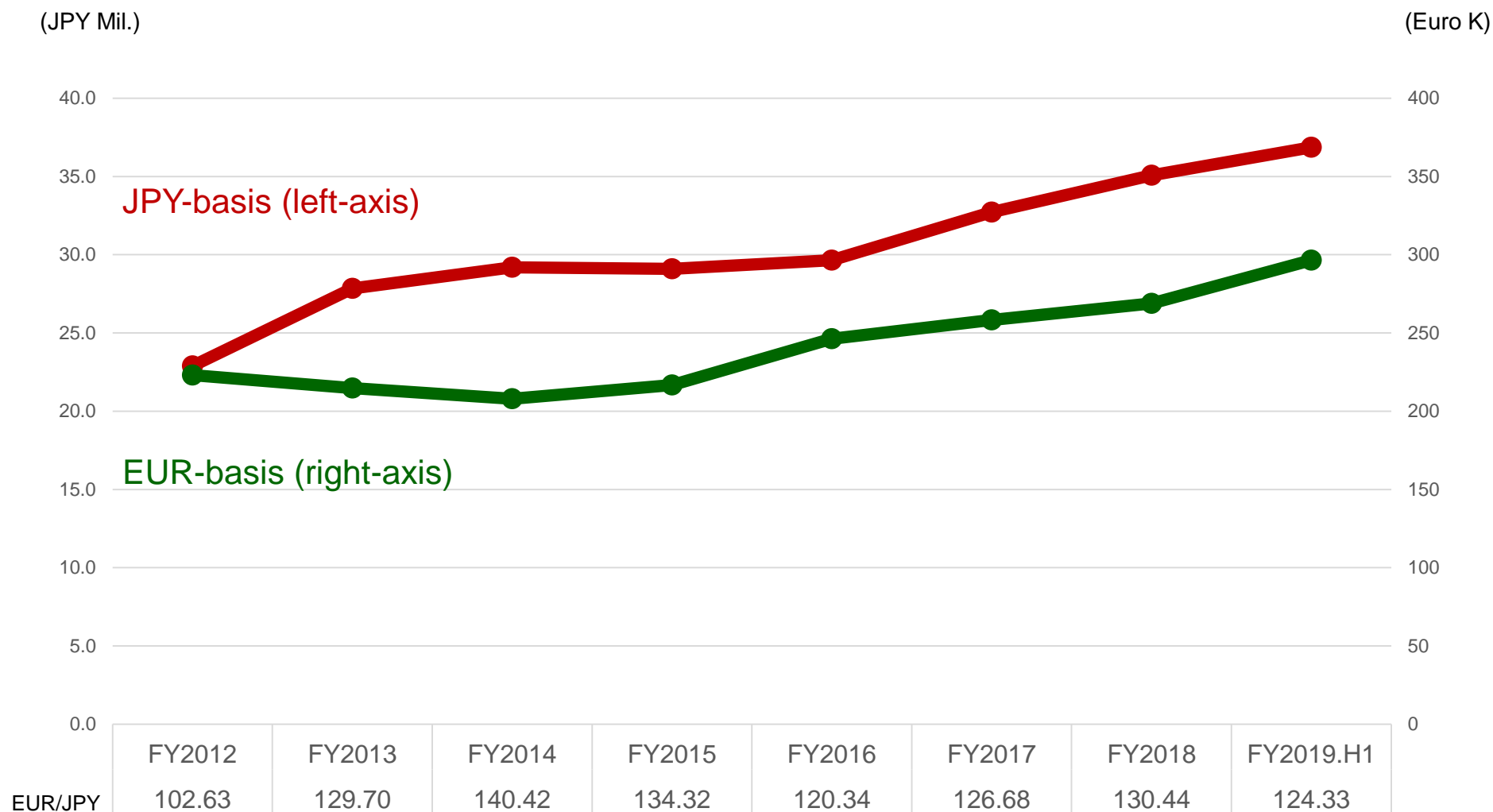
Total assets of AG(Mio EUR)	2,440	2,511
EUR/JPY closing rate	127.0	122.48

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Average order price per unit (machine body)

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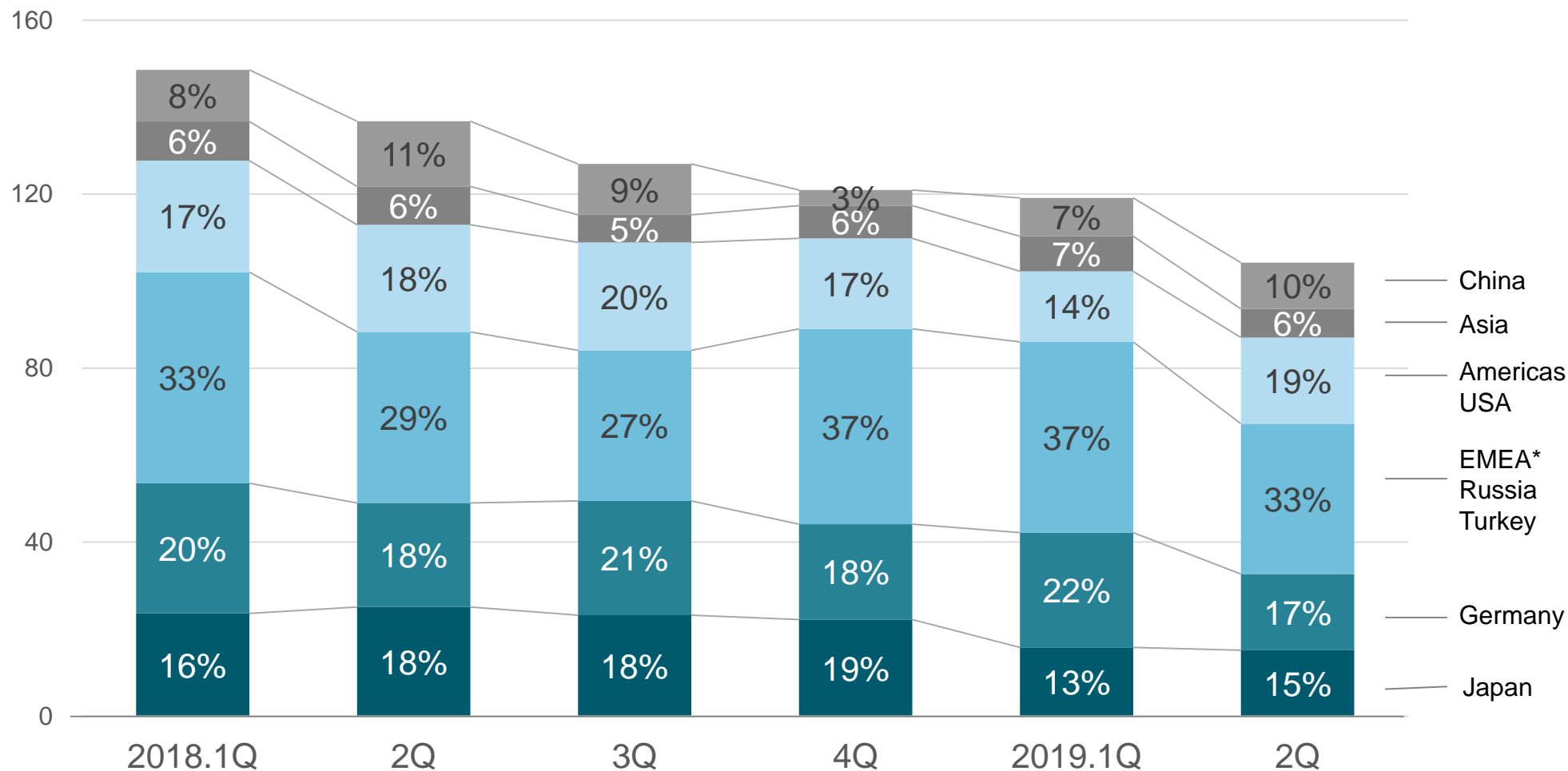


Cons. order composition (by region)

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※Value basis

(JPY bn)

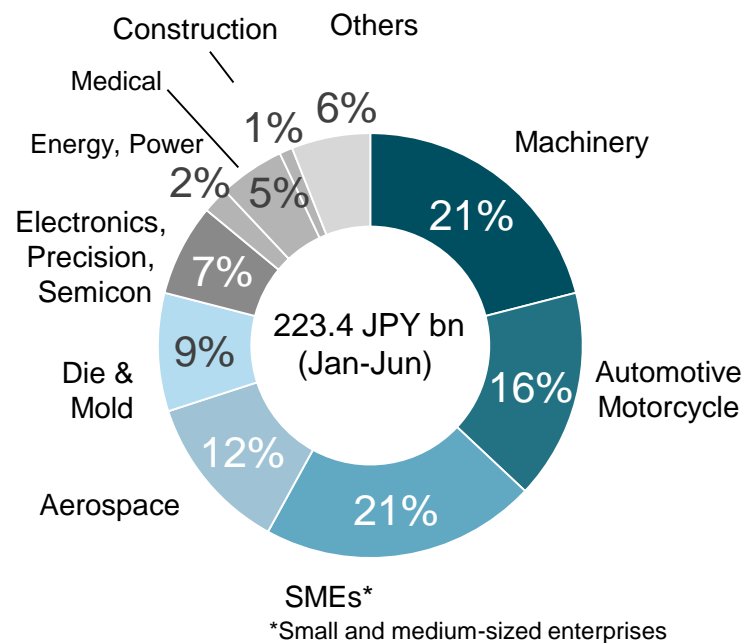


*Europe, the Middle East and Africa

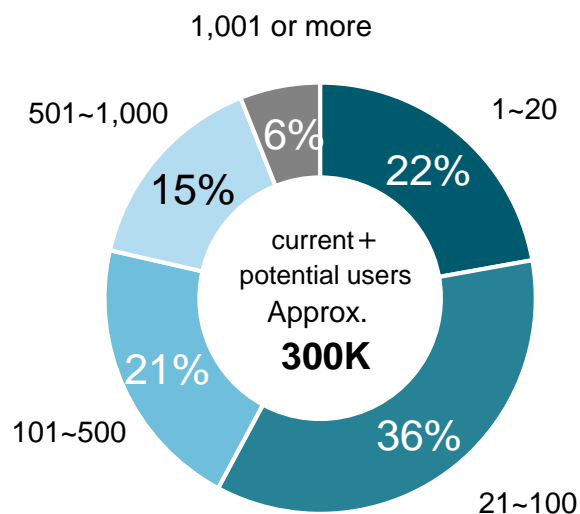
※金額ベース

FY2019.H1

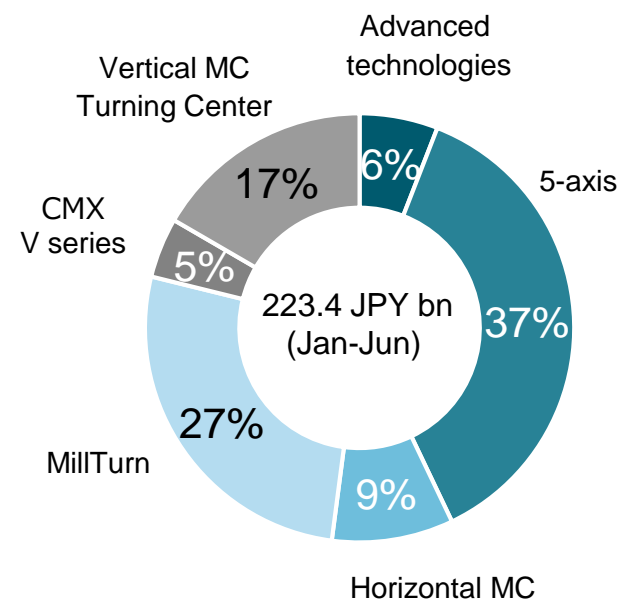
by industry



by customer's number of employee



by product type



1. FY2019 H1 (Jan-Jun) financial results

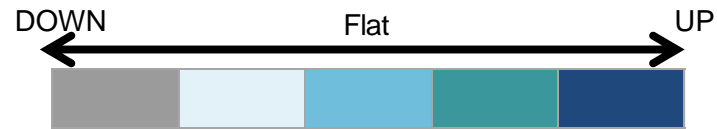
2. Business environment

3. Topics

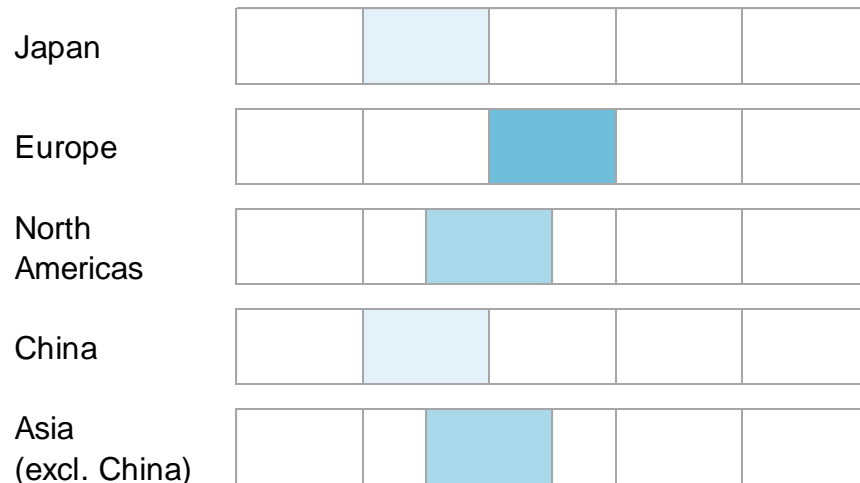
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- ✓ Automation

Demand by region & industry

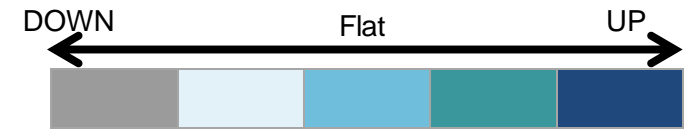
Region



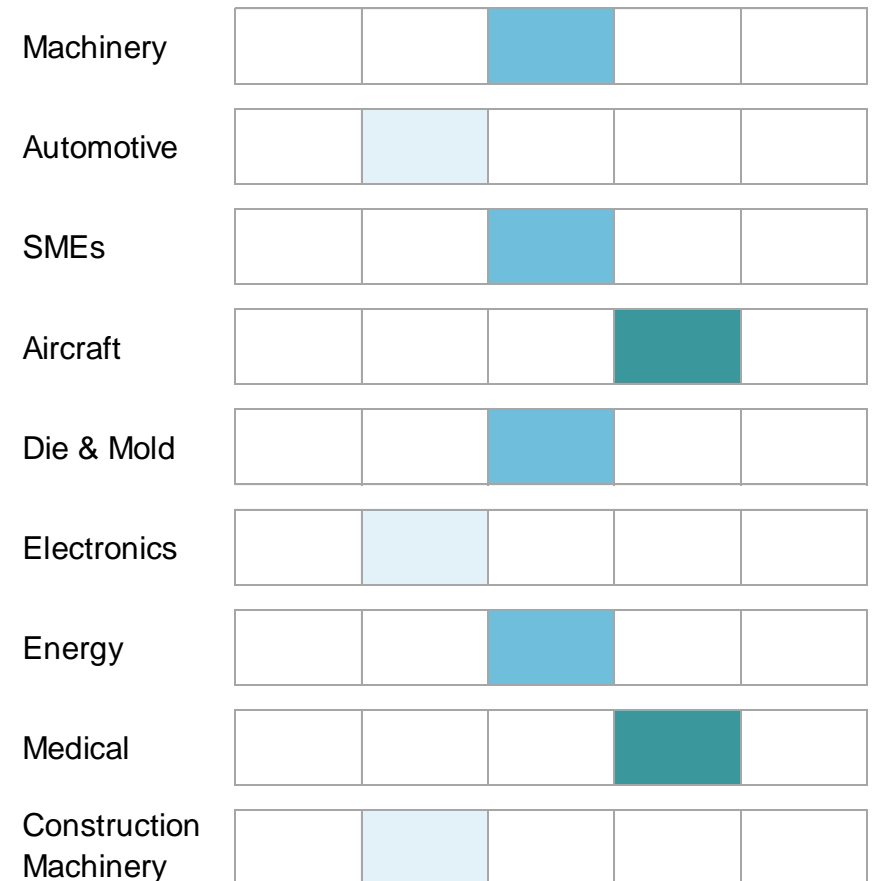
FY2019.Q2



Industry



FY2019.Q2



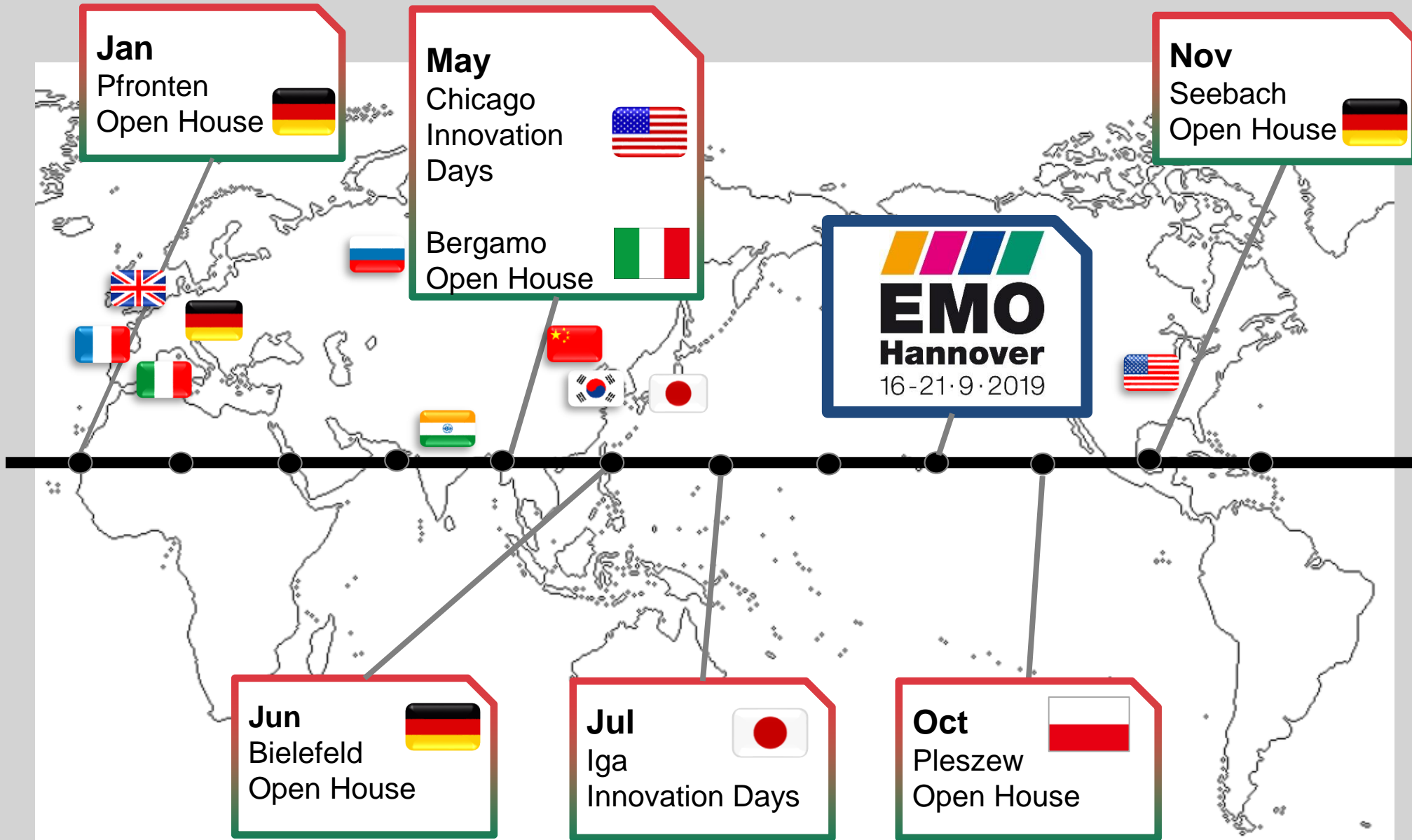
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Main events at DMG MORI locations in 2019*

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*Except EMO

Iga Innovation Days 2019

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Dates: July 9th – 13th, 2019

Venue: Iga Campus

201, Midai, Iga, Mie Prefecture

Approx. No. of customers: 10,000 from 5,000 companies

Approx. No. of total visitors (incl. suppliers, students): 13,000



5-axis & multi-axis machines



Eight 5-axis machines
including two XXL-machines

Automation



Showcase six automation systems
A large-scale system on screen

Digital Factory



Messenger, IoT Connector,
WERKBLIQ, 5G experience

World Premiers



NLX 6000|1000 LASERTEC 12 SLM

Additive Manufacturing



LASERTEC 65 3D LASERTEC 30 SLM
2nd Generation

DMQP



Technologies from Europe:
Lehmann, Schunk, WTO, MT tool, Sandvik



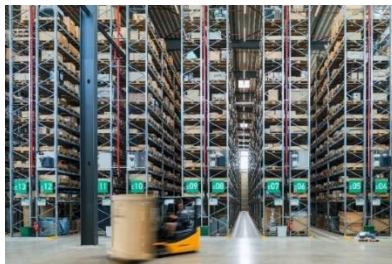
Grand Opening of Iga Global Parts Center

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Grand Opening of Iga Global Parts Center : July 9, 2019



Iga
(Japan)



Geretsried
(Germany)

Shipment within 24 hours: **95%**

Further service enhancement with **AI**



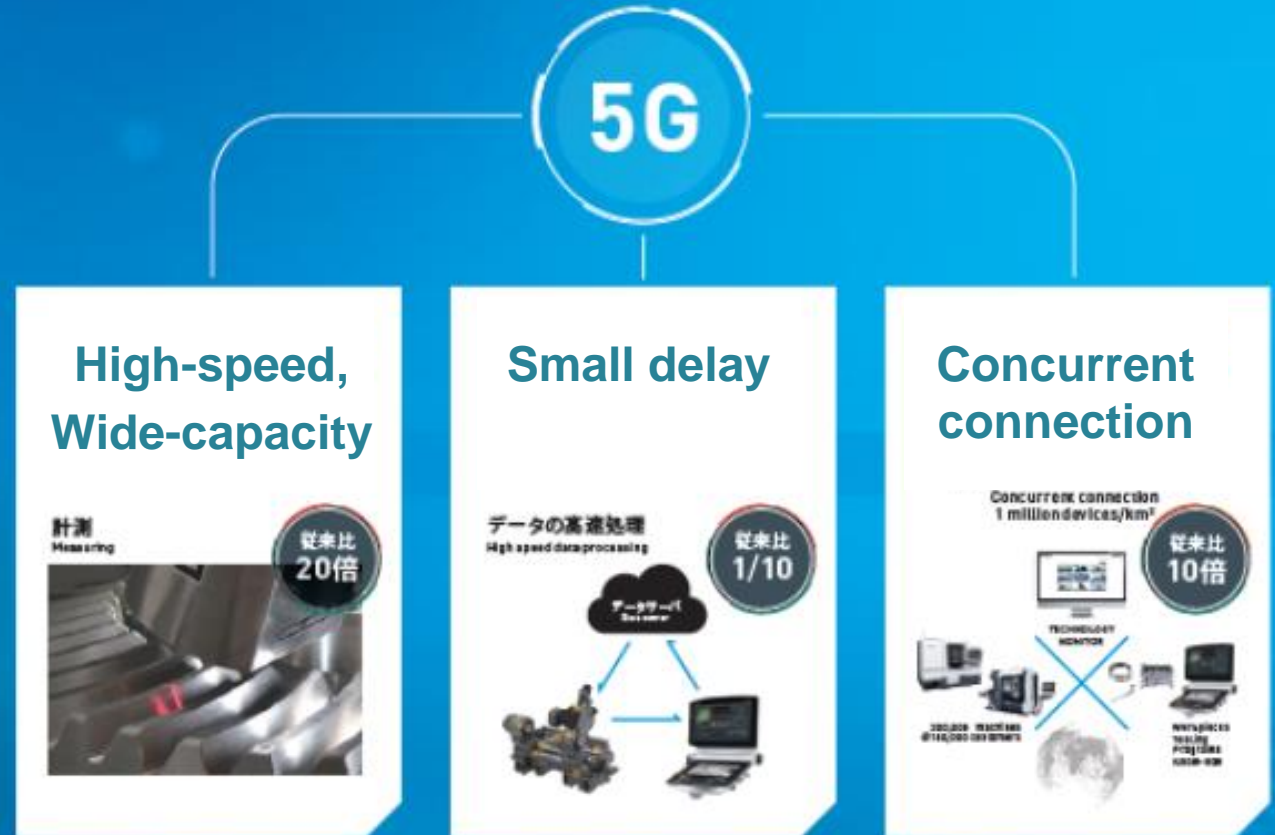
Dallas
(USA)

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Fusion of FACTORY AUTOMATION and 5G

5G experience in Digital Area of Solution Center



Powder-nozzle

LASERTEC 65 *3D*



Deposition of two materials
(tool & high-speed steel)

Powder-bed

LASERTEC 30 *SLM* 2nd Generation



Middle parts



Powder material exchange by cartridge

LASERTEC 12 *SLM*



NEW

Small parts,
precision deposition

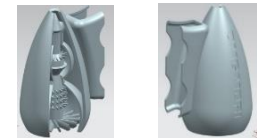
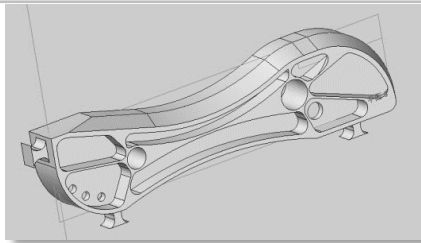
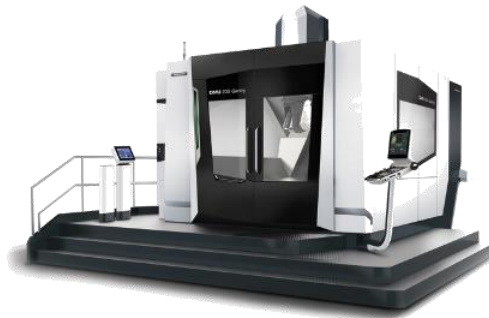


Exhibit 8 machines of 5-axis including XXL-machines **DMG MORI**

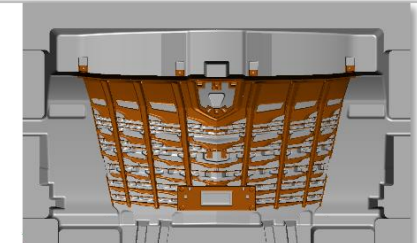
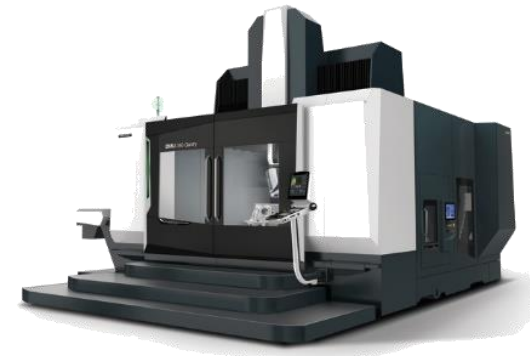
DMU 200 Gantry



[Large workpieces]

- Material: Aluminum
- Two large workpieces on a table (compact spindle and wide machining area)
- Full-cover machine housing
- High-productive machining of complex workpieces by 5-axis

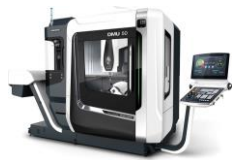
DMU 340 Gantry



[Large molds]

- High-quality surface by 5-axis technology
- Enough space for large workpieces
- Joint demonstration with TOYODA GOSEI
- Front grille mold, Toyota Alphard

5-axis Technology Study & Research Group with DMU 50 3rd Generation



70 machines



**30
Private
lessons**



5 participants

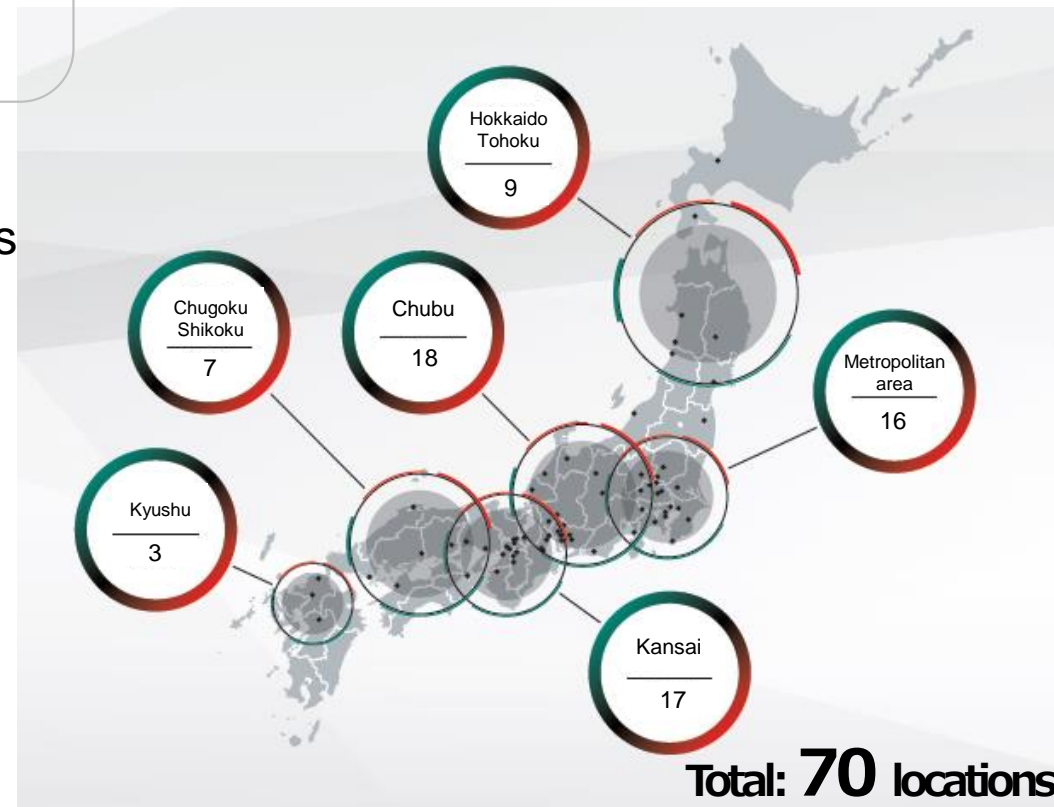


More than **10,000** 5-axis machine operators

**Order intake ratio of 5-axis machines
increased in Japan**

FY2018 : 13%

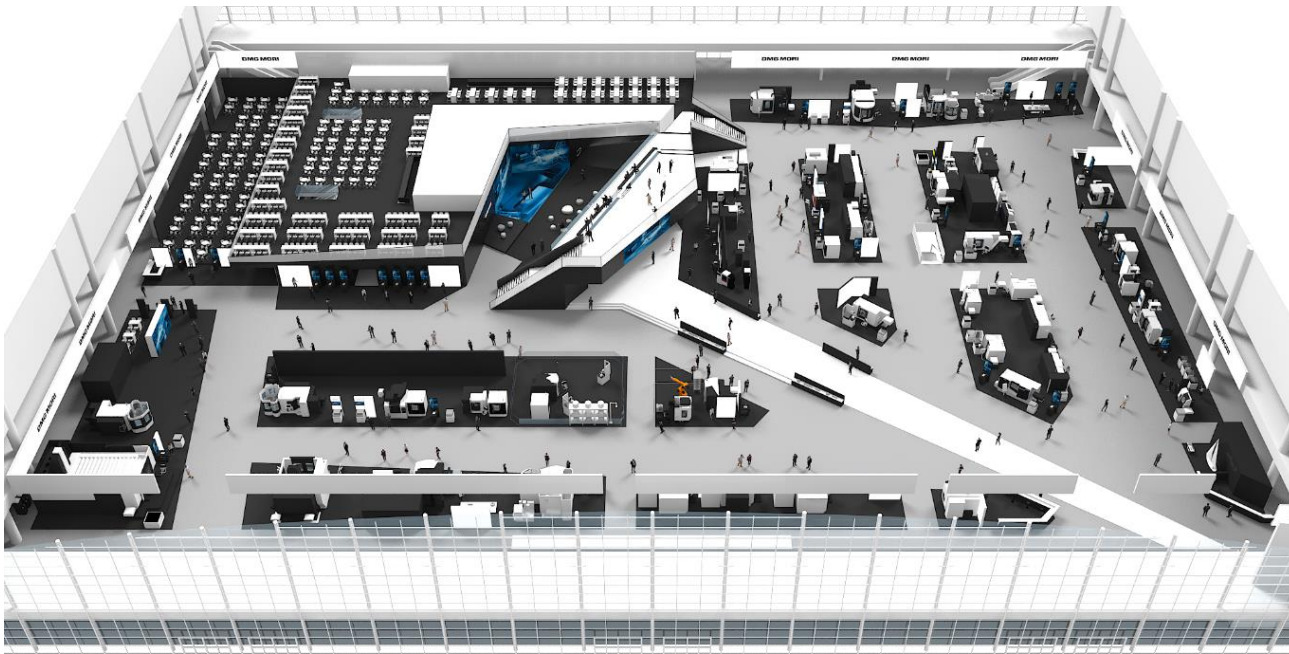
FY2019 Q2 : 20%



EMO 2019 SEP 16-21, 2019

“DMG MORI - The future of manufacturing in Hall 2”

- + 10,000 m² exhibition in Hall 2
- + Digitization, Automation, Additive Manufacturing
- + 29 out of 45 exhibited machines with automation
- + 2 World Premiere: CLX 750, DMC 90 U duoBLOCK



EMO Hannover | Hannover, 16.09. – 21.09.2019
HALLE 2
EINGANG NORD

myDMG MORI
CUSTOMER PORTAL

YOUR MACHINES
YOUR HISTORY
YOUR DOCUMENTS
YOUR SERVICE REQUESTS

27 AUTOMATIONS-
LÖSUNGEN

> 30 DIGITALE
INNOVATIONEN

KOMPLETTE
KONNEKTIVITÄT

ADDITIVE
MANUFACTURING

EMO.DMG MORI.COM

DMG MORI

+ Digitization - Connectivity

DIGITAL MANUFACTURING

DMG MORI Connectivity & CELOS Update

Application Connector – Remote access to own systems on CELOS

Job Manager – Job import from any MES/ERP into CELOS

Messenger
Detect downtimes of all machines & devices

NETservice
New benchmark for remote service

myDMG MORI Customer Portal
Your online service manager (First step: for Europe)

CELOS UPDATE
FOR EVERY CELOS MACHINE

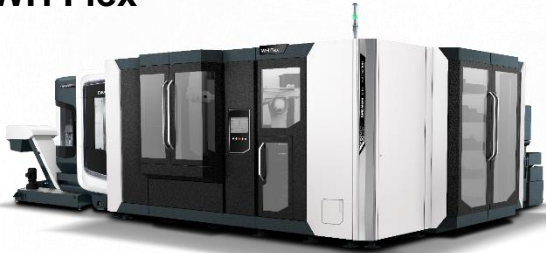
MDA Interface

umati
OPC UA
MQTT
MTconnect

DMG MORI
SECURE CONNECTIVITY
In every DMG MORI machine

+ 29 Automation Solutions

WH Flex



MATRIS



PH-AGV



ADAMOS PARTNER NETWORK

ADAMOS PARTNERS

DMG MORI

Machine tool manufacturer



Mechanical and plant
engineering

ZEISS

Optics and optoelectronics
machine manufacturer

software AG

Software manufacturer

ASM

SMT placement machine manufacturer



KARL MAYER

Textile machine manufacturer

ENGEL

Plastics machine manufacturer

weber®

Slicing & Packaging
machine manufacturer

Mahr

Production metrology

illig®

Machine and tool manufacturer

oerlikon

Textile machinery manufacturer



Mayer & Cie.
Rundstrickmaschinen

NEW

Circular knitting machine manufacturer



Schlenker
SPANNWERKZEUGE

NEW

Clamping tool manufacturer



WITTENSTEIN

NEW

Component manufacturer



ADAMOS

Share knowledge
and be innovative
together.

- + FOSTERING INNOVATIONS
- + CREATING DIGITAL PRODUCTS
- + SHAREING EXPERIENCES

Media strategy for mutual benefit - Customers and DMG MORI

DMG MORI



Europe

Japan

USA



NEW



To be prepared



To be prepared



NEW



NEW



NEW



NEW



NEW

PORTFOLIO DMG MORI AUTOMATION

WORKPIECE HANDLING

GANTRY LOADER



GX



GX T



SR

ROBOT



1 Robo2Go



2 WH



IMTR



MATRIS

PALLET HANDLING

ROUND STORAGE SYSTEM



3 PH



AWC



RPS

LINEAR STORAGE SYSTEM



CPP



LPP

50
Standard
Automation
Systems



1 Robo2Go

2 WH CELL



3 PH 400

NEW!



MATRIS + NVX 5100 2nd Generation



LPP + NHX 6300 2ndGeneration



Dedicated plant for turnkey systems

- Site area over 9,000m²
- Up to four 80m-long production lines
- Assembly, optimization, verification of turnkey systems

This material contains targets, plans, etc. concerning the future of DMG MORI CO., LTD. and the DMG MORI Group. All predictions concerning the future are judgments and assumptions based on information available to DMG MORI at the time of writing. There is a possibility that the actual future results may differ significantly from these forecasts, due to changes in management policy or changes in external factors.

There are many factors which contain elements of uncertainty or the possibility of fluctuation including, but not limited to, the following:

- Fluctuations in exchange rates
- Changes to the laws, regulations and government policies in the markets where DMG MORI CO., LTD. conducts its business
- DMG MORI CO., LTD.'s ability to develop and sell new products in a timely fashion
- Instability of governments in the markets where DMG MORI CO., LTD. conducts its business
- Operational changes by the competent authorities or regulations related to anti-trust, etc.